

# **Financial Aid for International Undergraduates – AFAWG Report to Faculty Senate**

**December 13, 2015**

## **Proposal:**

For international undergraduate applicants, change to meeting full need for all admitted international undergraduate students without increasing the annual international financial aid budget by changing from need-blind admissions to need-aware admissions, similar to the process at most of our peer schools.

Purpose: Provide greater ability to actively manage enrollment, improve yield of admitted students, and avoid difficult situations in which international students admitted with need but no financial aid may be challenged to meet their educational expenses.

## **Introduction to Need-Blind Admissions and Need-Based Aid**

Cornell University currently practices need-blind admission for all undergraduate applicants to the university. This means that admissions committees do not take into consideration a family's ability to pay when making an admissions decision. This is currently true for all undergraduate applicants to the university, including international students.

Cornell University's financial aid program is need-based for all students. This is true for all Ivy League institutions. In fact, in our joint statement as a league, we note that "Ivy League schools provide financial aid to students, including athletes, only on the basis of financial need as determined by each institution's Financial Aid Office. There are no academic or athletic scholarships in the Ivy League."

## **Limited Need-Based Aid for International Students**

Although Cornell's financial aid program is need-based for all undergraduates (including international students), under our current need-blind admissions approach we do not have the financial resources to fund every admitted international student who has financial need. A review process allows us to consider institutional and programmatic priorities as we select which international students with financial need will receive financial aid. A subset of admitted international students with need are selected for international financial aid, and receive a financial aid package that meets full need for the length of their undergraduate degree program. There are no partial financial aid awards (meeting only partial need) to any student, but some admitted international students with need are offered no financial aid.

Admitted international students with demonstrated financial need who do not receive financial aid yield (enroll) at a much lower rate (about 30%) than other groups (about 80-90% for aided international admits; about 60-70% for international admits not applying for aid). International students who do not receive financial aid in their first year are not eligible for consideration in subsequent years, unless their citizenship status (in relation to U.S.) changes.

## **International Admissions and Financial Aid Policies among Cornell's Peer Institutions**

Currently, three members of the Ivy League use need-blind admissions for international students and fully meet need for all admitted international students with demonstrated financial need: Harvard, Princeton, and Yale (also MIT). Four Ivy League institutions admit international students on a need-aware basis and fully meet need for all admitted international students: Brown, Columbia, Dartmouth and Penn (also Chicago, Duke, Northwestern, Stanford). Need-aware processes consider a student's ability to pay when making an admissions decision. By practicing need-aware admissions for international students, these institutions are able to meet the full demonstrated need of any admitted international student while living within their budget for financial aid.

#### % of Undergraduate Enrollment that is International

International students made up 10.2% of the enrolled undergraduate population as of the Fall 2014 Census Date. The percentage has been increasing over the past four years:

AY 2015: 10.2%

AY 2014: 9.8%

AY 2013: 9.6%

AY 2012: 9.3%

### **Financial Aid Selection Process for International Students**

At Cornell, after international students are admitted, selection committees in colleges/schools and the Undergraduate Admissions Office nominate students for international financial aid from among the pool who have submitted the financial aid application (the CSS profile). The nominee identification process is conducted with geographic diversity goals in mind. Academic (college and school based) interest also plays a critical role, and the international financial aid selection committee takes this into consideration when selecting students.

The committee receives candidate nominations during both Early Decision and Regular Decision. In the selection of students, we seek to build a pool that represents a breadth of national and regional diversity and that also represents specific academic interests across our undergraduate colleges and schools. This approach strives to accommodate the full range of international diversity represented by the admitted international group selected to receive international aid.

The prioritization and final selection of applicants for international financial aid balances university recruitment and enrollment goals with the programmatic needs of our undergraduate colleges and schools. These criteria are reviewed and revised annually.

#### Number of Freshman International Admissions Applicants and Who Apply for Aid

| Fall of Admission | International Applications | % of Total Applications | Total International Aid Applications | International Aid Applications from Admitted Students |
|-------------------|----------------------------|-------------------------|--------------------------------------|---|
| 2015              | 8,692                      | 20.7%                   | 2,687                                | 203   |
| 2014              | 8,779                      | 20.4%                   | 2,732                                | 209   |
| 2013              | 8,118                      | 20.3%                   | 2,373                                | 246   |
| 2012              | 7,526                      | 19.9%                   | 1,998                                | 196   |
| 2011              | 6,877                      | 18.9%                   | 1,988                                | 263   |

Note: Given the large number of international aid applications and small number of admitted international applicants, aid application review only occurs for students nominated for financial aid (among the admitted population).

### Average Number of Financial Aid Awards Offered Each Year

We hope to fund as many as 55-60 new international students each year with the limited budget we have available. We offer approximately 20-25 awards during Early Decision (on average) and 30-35 awards during Regular Decision.

### Yield Rates for International Admitted Students Awarded Aid

We recorded the following yield rates for international students receiving and/or applying (or not) for financial aid (excluding Tata Scholars):

|      | Offered aid         |       | Applied for aid, not offered aid |       | Did not apply for aid |       | Total               |       |
|------|---------------------|-------|----------------------------------|-------|-----------------------|-------|---------------------|-------|
|      | Admitted Applicants | Yield | Admitted Applicants              | Yield | Admitted Applicants   | Yield | Admitted Applicants | Yield |
| 2011 | 27                  | 93%   | 136                              | 41%   | 338                   | 74%   | 501                 | 66%   |
| 2012 | 56                  | 95%   | 80                               | 50%   | 281                   | 74%   | 417                 | 72%   |
| 2013 | 107                 | 80%   | 132                              | 30%   | 371                   | 66%   | 610                 | 60%   |
| 2014 | 54                  | 80%   | 148                              | 30%   | 330                   | 65%   | 532                 | 57%   |
| 2015 | 52                  | 92%   | 151                              | 29%   | 361                   | 58%   | 564                 | 54%   |

Note: Additional yield charts are included at the end of this document.

### International Financial Aid Budget

2015 International Financial Aid Budget: \$11.53M million in funding from unrestricted and restricted sources (including the Tata Scholarship).

For FY15, 78% of the total international aid expenditure came from the operating budget and 22% from endowment and gifts (including the Tata Scholarship). The growth in the aid budget below since 2010 reflects the movement of financial aid funds that had been awarded to Canadian and Mexican students (in the domestic aid pool) out of the domestic aid pool and into the international aid pool per a policy decision made in 2009-2010 to begin treating Canadian and Mexican students as international for admissions and financial aid purposes.

### International Aid Students and Expenditures (Restricted Total includes Tata and Other)

| Source                                    | 2010-11     | 2011-12     | 2012-13     | 2013-14      | 2014-15      |
|---|-------------|-------------|-------------|--------------|--------------|
| Unrestricted International-designated Aid | \$3,104,202 | \$3,601,398 | \$5,288,540 | \$8,731,995  | \$9,040,581  |
| Restricted International-designated Aid   | \$1,094,470 | \$1,455,908 | \$1,761,057 | \$2,326,666  | \$2,489,478  |
| Tata Scholarships                         | \$570,425   | \$965,833   | \$1,219,379 | \$1,543,014  | \$1,564,908  |
| Other                                     | \$524,045   | \$490,075   | \$541,678   | \$783,652    | \$924,570    |
| Total International-designated Aid        | \$4,198,672 | \$5,057,306 | \$7,049,597 | \$11,058,661 | \$11,530,059 |

Source: Year-end Disbursements

### Size of Endowment Needed for One Student for Four Years

Assuming an average grant of about \$54,700 per year with no tuition increases, and 4% interest earned on principal each year, we would need \$1.4 million to create enough endowment

income to generate \$54,700 in payout each year. To fund a high-need student at \$69,000 a year with no tuition increases, and 4% interest on principle each year, we would need \$1.725 million to create enough endowment income to generate \$69,000 in payout each year.

#### Typical Award for an Average Aid Recipient

The typical award, based on an average grant of \$54,700 and estimated cost of \$71,800 would probably include \$2,500 in work, \$5,000 in loans, \$9,600 in family contribution, and a \$54,700 Cornell Grant.

*Note: the cost of attendance for international students is high because all students have health insurance included in their budget and many of them also have a transition allowance, SEVIS, and a winter allowance included in their Cost of Attendance.*

### **2011-2015 International Financial Aid – Students Selected to Receive Aid**

|                    | Citizenship |         |       |                             |             |         |       |
|--------------------|-------------|---------|-------|-----------------------------|-------------|---------|-------|
|                    | Non-Athlete | Athlete | Total |                             | Non-Athlete | Athlete | Total |
| Argentina          | 1           | 0       | 1     | Latvia                      | 1           | 0       | 1     |
| Azerbaijan         | 1           | 0       | 1     | Lebanon                     | 1           | 0       | 1     |
| Bangladesh         | 5           | 0       | 5     | Madagascar                  | 1           | 0       | 1     |
| Belgium            | 1           | 1       | 2     | Mauritius                   | 2           | 0       | 2     |
| Brazil             | 2           | 0       | 2     | Mexico                      | 6           | 0       | 6     |
| Canada             | 5           | 34      | 39    | Morocco                     | 1           | 0       | 1     |
| Chile              | 1           | 0       | 1     | Nepal                       | 5           | 0       | 5     |
| China              | 13          | 0       | 13    | Netherlands                 | 1           | 0       | 1     |
| Costa Rica         | 1           | 0       | 1     | New Zealand                 | 1           | 0       | 1     |
| Croatia            | 0           | 3       | 3     | Nigeria                     | 4           | 0       | 4     |
| Czech Republic     | 2           | 0       | 2     | Norway                      | 1           | 0       | 1     |
| Dominican Republic | 1           | 0       | 1     | Pakistan                    | 7           | 0       | 7     |
| Ecuador            | 0           | 1       | 1     | Peru                        | 2           | 0       | 2     |
| Egypt              | 2           | 0       | 2     | Romania                     | 1           | 0       | 1     |
| El Salvador        | 1           | 0       | 1     | Russian Federation          | 0           | 1       | 1     |
| Ethiopia           | 13          | 0       | 13    | Rwanda                      | 1           | 0       | 1     |
| Georgia            | 2           | 0       | 2     | Singapore                   | 1           | 0       | 1     |
| Germany            | 0           | 1       | 1     | Sri Lanka                   | 2           | 0       | 2     |
| Ghana              | 15          | 0       | 15    | Sweden                      | 2           | 0       | 2     |
| Greece             | 1           | 0       | 1     | Switzerland                 | 0           | 1       | 1     |
| Hong Kong          | 3           | 0       | 3     | Thailand                    | 3           | 0       | 3     |
| India              | 35          | 1       | 36    | Turkey                      | 2           | 0       | 2     |
| Indonesia          | 2           | 0       | 2     | United Kingdom              | 2           | 1       | 3     |
| Italy              | 1           | 0       | 1     | United Republic of Tanzania | 8           | 0       | 8     |
| Jordan             | 1           | 0       | 1     | Venezuela                   | 2           | 0       | 2     |
| Kenya              | 31          | 0       | 31    | Viet Nam                    | 5           | 0       | 5     |
| Korea, Republic of | 6           | 0       | 6     | Zimbabwe                    | 3           | 0       | 3     |

Note: Includes students with Tata/UWC

## Completion/Graduation Rates

Below are the overall six-year graduation rates for four cohorts of students, entering Fall 2006 through Fall 2009. To reflect the prior financial aid policy for students from Canada and Mexico, from 2006 through 2008 students from these countries are included in the US/Domestic aid category, and then as international students starting in 2009. These data are broken out by whether or not students received need-based aid at any point during their undergraduate career. Even with the year-to-year perturbations, the trends for both US and International groups are not markedly dissimilar. **Aided international students (of whom there are relatively few) reach 6-year completion at only a slightly higher rate than those who do not receive aid – with the exception of the 2008FA cohort, the rates are statistically difficult to distinguish.** Given the characteristics of the old datamart, we are not able to break out the “never aided” category to distinguish between those who never applied for aid vs. those who did apply for aid but were not awarded aid.

